

## Message Text

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46

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

INT-08 STR-08 CEA-02 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 L-03 H-03 SS-20

NSC-10 PRS-01 PA-04 DRC-01 /180 W

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O R 111515Z JAN 74

FM AMEMBASSY LOME

TO SECSTATE WASHDC IMMEDIATE 7167

INFO AMEMBASSY ABIDJAN

AMEMBASSY COTONOU

AMEMBASSY DAKAR

AMEMBASSY NIAMEY

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

AMEMBASSY RABAT

UNCLAS LOME 0090

E. O. 11652: N/A

TAGS: EMIN, TO, PFOR

SUBJ: TOGOLESE PHOSPHATES: TEXT OF EYADEMA'S ANNOUNCEMENT

REF: LOME 0086

1. FOLLOWING IS EMBASSY TRANSLATION OF PERTINENT SECTION OF PRES. EYADEMA'S JANUARY 10 SPEECH ANNOUNCING GOT'S TAKEOVER OF PHOSPHATE MARKETING AND INCREASE OF ITS SHARES IN CTMB TO 51 PERCENT, VICE 35 PERCENT.

2. "OUR COUNTRY, IN THOSE THINGS WHICH CONCERN IT, HAS ALWAYS FOLLOWED A POLICY OF DIALOGUE AND AGREEMENT, PUTTING COMPLETE TRUST IN THE FOREIGN INVESTORS, IF ONLY TO SAFEGUARD OUR INTERESTS AND RESPECT FOR OUR INDEPENDENCE AND SOVEREIGNTY.

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3. "THIS POLICY WAS THAT WHICH THE STATE HAS ALWAYS APPLIED WITH

REGARD TO THE COMPAGNIE TOGOLAISE DES MINES DU BENIN (CTMB), WHICH EXPLOITS THE DEPOSITS OF PHOSPHATES OF OUR SUB-SOIL AND WHICH IS GOVERNED BY A CONVENTION SIGNED ON SEPTEMBER 12, 1957, BY IT AND THE AUTONOMOUS REPUBLIC OF TOGO.

4. "THE EXPLOITATION RAPIDLY ENJOYED GREAT SUCCESS AND THE COMPANY EVER SINCE THEN HAS GROWN CONSIDERABLY. BUT IT IS ABUNDANTLY CLEAR THAT TOGO, UNTIL NOW, HAS DERIVED ONLY MEDIOCRE BENEFITS FROM THE DEVELOPMENT OF THE PHOSPHATES OF OUR SUB-SOIL. WORSE, WHILE SOVEREIGN STATES AGREE TO REVISE THE COOPERATIVE AGREEMENTS WHICH TIE THEM TO EACH OTHER, AND TO ADAPT THEM TO CIRCUMSTANCES, THE CTMB, TAKING SHELTER BEHIND THE CONVENTION OF 1957, WHICH DATES FROM A TIME WHEN OUR COUNTRY WAS NOT SOVEREIGN, HAS ACCEPTED ONLY WITH GREAT RELUCTANCE AND NUMEROUS RESTRICTIONS ALL ATTEMPTS BY THE TOGOLESE STATE SEEKING TO ASSURE OURSELVES OF A MINIMUM OF BENEFITS, WITH REGARD TO THE CONSIDERABLE PROFITS THAT THE COMPANY DERIVES FROM THIS BUSINESS. IT WAS THUS IN 1969, AT THE MOMENT OF THE CREATION BY THE GOT OF THE TAX ON DIVIDENDS. IT WAS THUS IN 1972 WHEN ONE OF THE SHAREHOLDERS WISHED TO SELL A PART OF ITS SHARES; ON THAT OCCASION, THE TRANSFER OF THE SHARES TO THE STATE WAS REFUSED, AND IT WAS NECESSARY TO UNDERTAKE LABORIOUS NEGOTIATIONS SO THAT FINALLY THE TOGOLESE REPUBLIC INCREASED ITS SHAREHOLDING FROM 19 PERCENT TO 35 PERCENT.

5. "IT WAS THE SAME JUST RECENTLY WHEN, AS A RESULT OF INTERNATIONAL CONTINGENCIES AND THE ENERGETIC ACTION OF THE MOROCCAN GOVERNMENT, THE PRICE OF PHOSPHATES TRIPLED. OUR INTERESTS WERE HARDLY SAFEGUARDED THEN, EITHER BY THE OFFICERS OF THE CTMB OR BY THOSE WHO HAD BEEN CHARGED WITH THE MARKETING OF OUR PRODUCT.

6. "IN ALL THESE INSTANCES, IT HAS BEEN SHOWN THAT OUR INTERESTS WOULD ONLY BE EFFECTIVELY PROTECTED BY OURSELVES AND FOR OURSELVES.

7. "TOGOLESE MEN AND WOMEN, THE NATIONAL INTERESTS OBLIGE US TO TAKE HENCEFORTH THE RESPONSIBILITY FOR THE MANAGEMENT OF THE EXPLOITATION OF OUR MINERAL RESOURCES. I HAVE THEREFORE UNCLASSIFIED

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DECIDED FROM THIS VERY NIGHT:

-TO DENOUNCE THE CONVENTION SIGNED ON SEPTEMBER 12, 1957 BETWEEN THE AUTONOMOUS REPUBLIC OF TOGO AND THE SOCIETE MINIERE DU BENIN (PREDECESSOR OF CTMB).

8. "WITH EFFECT FROM JANUARY 1, 1974, THE MARKETING OF PHOSPHATES WILL BE ENTRUSTED TO A TOGOLESE OFFICE OF PHOSPHATES (OTP), A PUBLIC INSTITUTION BELONGING EXCLUSIVELY TO THE

TOGOLESE STATE. THE CTMB WILL DELIVER ITS COMMERCIAL OUTPUT TO THAT OFFICE AT A PRICE FIXED BY GOVERNMENT DECISION.

9. "THE PHOSPHATES SALES CONTRACTS MADE BY THE AFRICAN PHOSPHATE PRODUCERS UNION WILL ONLY BE RECOGNIZED BY THE OTP TO THE EXTENT THAT THEY ARE APPROVED BY THE LATTER AND JUDGED TO BE IN CONFORMITY WITH THE INTERNATIONAL PRICE IN EFFECT ON JANUARY 1, 1974.

10. "WITH EFFECT FROM JANUARY 1, 1974, THE SHAREHOLDING OF TOGO IN THE REGISTERED CAPITAL OF THE CTMB IS FIXED AT 51 PERCENT BY THE CONTRIBUTION OF THE (PHOSPHATE) DEPOSIT, IN ACCORDANCE WITH THE MINING REGULATIONS IN EFFECT, WHEREAS 49 PERCENT OF THE CAPITAL WILL REMAIN IN THE HANDS OF THE PRIVATE PARTNERS.

11. "TOGOLESE MEN AND WOMEN, AS YOU CAN WITNESS, IN SPITE OF THESE MEASURES, THE INTERESTS OF THE FOREIGN INVESTORS HAVE BEEN SAFEGUARDED ACCORDING TO OUR POLICY." DICKINSON

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